

EXECUTIVE ORDER 2004-31

RELATING TO THE DESIGNATION OF ARIZONA HIGHER EDUCATION LOAN AUTHORITY AS AN AUTHORIZED ENTITY TO ORIGINATE AND/OR PURCHASE STUDENT LOANS RELATING TO RESIDENTS OF THE STATE OF ARIZONA OR PERSONS ATTENDING POSTSECONDARY EDUCATIONAL INSTITUTIONS IN THE STATE OF ARIZONA

WHEREAS, pursuant to the provisions of Title IV, Part II of the Federal Higher Education Act of 1965, as amended (the "Higher Education Act") (20 U.S.C. Chapter 1071 et seq.), the United States Congress has provided for Federal insurance of student loans made pursuant to the Higher Education Act or, in the alternative, for Federal reimbursement of guaranty payments made on such student loans in states where state guaranty programs are operated pursuant to the Higher Education Act and the United States Congress has provided through the Higher Education Act for payment by the Federal government of interest and other subsidies on such student loans; and

WHEREAS, the United States Congress has provided through the Higher Education Act and Section 150(d) of the Internal Revenue Code 1986, as amended ("Section 150(d)"), procedures whereby certain nonprofit corporations may issue tax-exempt "qualified scholarship funding bonds" for the purpose of obtaining funds to finance the acquisition of student loans originated under the Higher Education Act; and

WHEREAS, assuring that loans for postsecondary education are accessible in Arizona at favorable rates of interest and repayment terms is an important objective in Arizona's total effort to provide adequate opportunities for our citizens to benefit from postsecondary education; and

WHEREAS, assuring adequate access to educational loans may be ensured by the establishment of a statewide secondary market and warehousing facility which will provide liquidity for investments in such loans, thereby further encouraging and permitting commercial lenders to make additional educational loans and to originate additional educational loans; and

WHEREAS, Arizona Higher Education Loan Authority, an Arizona nonprofit corporation (the "Corporation"), has been formed under the nonprofit corporation laws of the State of Arizona. The Corporation will establish a student loan origination and purchase program by establishing an additional statewide secondary market and warehousing facility designed to provide funds for student loans to all lenders which are eligible to originate student loans under the Higher Education Act, and such program may increase significantly the amount of funds available for student loans to students who are residents of Arizona or who are attending postsecondary educational institutions in the State of Arizona; and

WHEREAS, the establishment of such student loan program, as provided by the United States Congress through the Higher Education Act and Section 150(d), will assure to the people of the State of Arizona fair, efficient and competitive access to educational loans and coordinated planning and administration of this program; and

WHEREAS, it is advantageous to all sectors of postsecondary education in the State of Arizona for this State to continue receiving the assistance made available under applicable programs established pursuant to the Higher Education Act;

NOW, THEREFORE, I, Janet Napolitano, Governor of the State of Arizona, by virtue of the authority vested in me by the Constitution and laws of this State, hereby order and direct as follows:

1. The Corporation is hereby designated to provide an additional Arizona educational loan secondary market and warehousing facility pursuant to the provisions of Part B of Title IV of the Higher Education Act of 1965, as amended (20 USC, Chapter 1071 et seq.) and Section 150(d) of the Internal Revenue Code of 1986, as amended.
2. The Corporation shall meet all of the requirements of Federal law and regulations as well as the statutes of the State of Arizona, and shall obtain all necessary designations required under Federal law and regulations necessary and appropriate to act in such capacity under the Higher Education Act of 1965, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Arizona.


GOVERNOR



DONE at the Capitol in Phoenix on this 29th day of December in the Year Two Thousand and Four and of the Independence of the United States of America the Two Hundred and Twenty-ninth.

ATTEST:


Secretary of State